

# **FISCAL NOTE**

## **SB 2189 - HB 2752**

February 5, 2000

**SUMMARY OF BILL:** Raises the salary component for professional education positions in the BEP model by 5% in the 2000-01 funding year, and provides for an annual increase with inflation (measured by the most recent calendar year consumer price index) in each subsequent year.

Currently, local education agencies (LEAs) are required to pay an average salary that is no less than the salary generated by the state salary schedule when the LEA's average T & E (training and experience) is put into the state salary schedule.

All funds appropriated under this bill would be used for instructional personnel salary increases only. LEA expenditures would be determined by negotiation where applicable, with the professional employee organization. It would be unlawful for any LEA to use such funds to supplant total local current operating funds.

Each LEA must submit an annual report to the Commissioner of Education on the LEA's payment or expenditure of the salary funds. Each LEA's annual salary report will be available to the public with 10 days of the date it is submitted to the commissioner.

No member of any LEA's professional education staff will suffer a reduction in salary from one year to the next. Any unexpended balance of salary funds at the close of the fiscal year would be carried forward to the next year and budgeted for salary increase purposes only. Nothing would prevent any LEA from supplementing salaries from its own local funds. Any board of education could increase the salaries of its employees during the course of the year as long as the LEA does not exceed its budget.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$70,049,000 FY00-01**

**Increase Local Govt. Expenditures\* - \$23,568,000 FY00-01**

**Increase State Expenditures - \$39,719,000 FY01-02**

**Increase Local Govt. Expenditures\* - \$13,355,000 FY01-02**

Estimate assumes:

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- Raises the salary component for professional education positions in the BEP model by 5% the first year and 2.7% the second year. The 2.7% represents the Consumer Price Index (CPI) percentage increase as of the end of the most recent year ending December 31 over the previous December 31.
- Because the salary component is embedded in the BEP model, state and local governments would share in this cost.
- Number of certificated personnel affected: 58,440 (includes superintendents)

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director